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Money-laundering defendant claims CIA ties

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One of four defendants charged in a \$10 million money-laundering scheme disclosed in Louisville last month reportedly operated for years as a CIA informant and claims to have helped the United States avoid entanglement in at least one war.

The defendant, Clarence Bowers, 59, a self-employed "consultant" from Midwest City, Okla., yesterday asked a federal judge to reduce his sentence because of his purported cooperation with the Central Intelligence Agency.

Bowers was one of three defendants — including a Louisville physician — sentenced yesterday in connection with the international scheme, in which the government charged that conspirators planned to whisk huge amounts of money abroad to avoid paying taxes.

In a rambling eight-page statement, Dr. John Douglas Green, a family practitioner, surgeon and Baptist Sunday school teacher, described how he became entangled in the scheme, then begged for a probated sentence.

However, U.S. District Judge Charles Allen rejected Green's plea and sentenced him to three years in prison, the same penalty he meted out to Bowers.

A third defendant, William H. Royle, of Laguna Beach, Calif., was given a one-year suspended sentence and placed on a year's probation.

Bowers' reported CIA link was disclosed by his attorney, Samuel Manly, after an unusual closed-door hearing before Allen.

Over the objection of The Courier-Journal, Allen closed the hearing, saying he expected testimony that would be "highly sensitive" for the government and possibly endanger Bowers' life.

U.S. Attorney Ron Meredith declined comment on Bowers' claimed connections with the CIA.

In open court, Bowers said he had been a longstanding patriot and had provided information to the government he said had helped prevent a foreign conflict.

Bowers, who was charged with concealing the conspiracy, said he became involved only as a favor to Green, his personal physician. And

he said he participated only after Green prescribed drugs he claims caused him to become disorientated.

However, Green claimed that Bowers, a longtime acquaintance, enticed him into the conspiracy.

In an unusual "personal statement" submitted to the court, Green, a former church deacon and member of the executive board of the Southern Baptist Convention, described how dire financial straits forced him to turn to Bowers — and crime.

Green, of 519 Watterson Trail, said he began down the "wrong path" in the early 1970s, when he invested heavily in a medical project in Ethiopia, expecting it to be afforded tax-exempt status.

However, it wasn't, and Green said that years later he ended up owing the IRS \$250,000 — "more money than I could ever imagine repaying."

Fearing he would end life a pauper, Green, 59, said he turned to Bowers, who he'd known in Africa. Bowers had boasted of a scheme in which money could be transferred from the United States to a European country tax free and used for capital projects, Green said.

"My need ... outgrew my common sense, and my desire to do the right thing was totally replaced by my willingness to get out from beneath the killing load I was carrying," Green said.

According to court records, on June 2 Green told an undercover IRS agent acting as a casino operative that he could export \$1 million that week and an additional \$10 million over the next six months — without filing reports required by the government.

Green took \$35,000 from the agent he said he needed to get the scheme started, promising to return to export about \$1 million in cash. He then flew to Zurich, Switzerland, to meet with his partners, according to court records.

In his statement, Green admitted he did wrong, but asked for leniency on behalf of his wife, the first female theology professor at the Southern Baptist Seminary in Louisville and the recently appointed pastor of Jordan Baptist Church in Sanders, Ky.

Green said his wife has already suffered criticism from Baptists who object to women in either role.

Green, who has practiced on the staffs of Humana Hospital Southwest and SS. Mary & Elizabeth Hospital, also pleaded for a probated sentence on the grounds that it might enable him to retain his medical license.

However, the government said Green deserved incarceration despite his medical and religious contributions.

"Somewhere along the way Dr. Green lost the distinction between right and wrong and became just interested in making a lot of money," Assistant U.S. Attorney Alan Sears said.

Sears called the scheme "absolutely unbelievable" in size and said it could have cost taxpayers \$6 million to \$12 million in lost taxes.

Allen rejected Green's plea, saying prominent citizens must serve as role models for the community.

"When people in high places fall, they fall precipitously," he said.

The Kentucky Board of Medical Licensure is scheduled to initiate disciplinary proceedings against Green on Monday.

Tom Carter, the board's attorney, said because the board considers only the offense for which a doctor is convicted, not his sentence, it wouldn't have made any difference if his sentence had been probated.

A fourth defendant charged in the scheme, George Myron Clark, of Victorville, Calif., also was to be sentenced yesterday.

However, Sears said he is gathering information for the government, and Allen agreed to postpone sentencing until Sept. 12.

Clark, who admitted acting as a courier for the operation, said in a covertly tape-recorded conversation that he had been exporting currency every four or five months recently, hauling at least \$1 million out of the United States on each occasion.

Clark told an undercover IRS agent, John D. Henry Jr., that he planned to export \$15 million over the next few months, according to court records.